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MINISTRY OF COMMERCE AND INDUSTRY

(Department of Heavy Industries)

RESOLUTION

TARIFFS

New Delhi the 18th July 1957

No. 7(1)-T.P./57.—The Tariff Commission has submitted its Report on the continuance of protection to the Bicycle Industry on the basis of an inquiry undertaken by it under Sections 11 (e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the bicycle industry should be continued for a further period of three years *i.e.*, up to 31st December, 1960, and the protective duties on the articles specified in items Nos. 75 (5), 75 (6), 75 (7), 75 (7A) and 75 (8) of the Indian Customs Tariff Schedule should continue at the existing rates.
- (2) The existing administration of the rules relating to the import and assessment to duty of Roller chains of $\frac{1}{2}$ " x $\frac{3}{16}$ " dimensions leave scope for abuse by importers, but a solution involves technical investigation. Such investigation should be made and steps taken to stop the abuse as it impinges on the effectiveness of the protection granted to manufacturers of bicycle chains of standard dimensions.
- (3) Government may re-examine the present import licensing policy with respect to raw materials and components with a view to removing any undue hardships suffered by producers other than the four large units.
- (4) Licences for imports of rims should not be granted unless the production of rims by Dunlop Rubber Co. Ltd., and Wheel & Rim Co. of India Limited, the two ancillary producers on the one hand, and Hind Cycles Ltd., and Nundy and Company Limited, (who have surplus capacity) on the other, are found to be inadequate to meet the country's needs.
- (5) Certain components such as rims, spokes, chains, freewheels etc. should be recognised as suitable for development by independent ancillary units, and fresh licences for the manufacture of such components and accessories should be granted only to independent units which are established specifically for the purpose and not to manufacturers of complete bicycles.

- (6) All manufacturers licensed under the Industries (Development & Regulation) Act, 1951, should be directed to furnish the Commission *monthly* with figures relating to their production, sales, stocks and prices.
- (7) When additional capacity is required for the manufacture of bicycles, prior consideration should be given to the desirability of allowing some of the existing units which are at present restricted to single shift working to work double shift.
- (8) The Indian Standards Institution should re-examine the tentative standards which have been laid down and the draft standards under circulation in the light of the complaints by a section of the Industry that they contain superfluous details and create practical difficulties for producers.
- (9) The Indian Standards Institution should expedite finalisation the standards relating to bicycles and components.
- (10) As Dunlop Rubber Co., Ltd. expands its production of rims it should, as far as possible, allot the additional production equitably among the various cycle manufacturers instead of reserving it exclusively for the units to which it sells rims at present.
- (11) All the manufacturers should assist the Indian Standards Institution in the work of finalising standards and avail themselves of the facilities offered by it for certification.
- (12) The leading producers of bicycles in the country should endeavour to find out export markets for their bicycles in the neighbouring countries where products of Indian manufacture enjoy a measure of Goodwill.
- (13) The existing two Associations of manufactures of bicycles should amalgamate as early as possible.

2. Government accept recommendation (1). The protective duties on the relevant tariff items have, however, been rounded off and modified with effect from the 16th May, 1957, under the Finance (No. 2) Bill, 1957. Necessary legislation will accordingly be undertaken in due course to continue protection to the industry at the revised rates of duty in force at present.

3. Government have taken note of Recommendation (2) and suitable action will be considered in due course in the light of the results of the technical investigations.

4. Recommendations (3) and (4) have been noted and will be taken into consideration along with other relevant factors while formulating the import policy from time to time.

5. Government have also taken note of recommendations (5), (6), (7), (8) and (9) and steps will be taken to implement them as far as possible.

6. The attention of Dunlop Rubber Co., Ltd. is invited to recommendation (10).

7. The attention of the Bicycle Industry as also The Cycle Manufacturers' Association, Calcutta, and the All India Cycle Manufacturers' Association, New Delhi, is invited to recommendations (11), (12) and (13).

ORDER

Ordered that the Resolution be published in the Gazette of India and a copy of it be communicated to all concerned.

S. RANGANATHAN, Secy.